

From: Joelle Burns
To: Doug Jensen; Wayne Hedberg
Date: 10/19/01 5:19PM
Subject: International Uranium Mines

For your information and to document telephone conversations.

10/17/2001 - I received a phone call from Clay Thomas (801) 782-2016 or cell (801) 540-4786 stating he has received acceptance from America First Credit Union and Wells Fargo Bank that they will issue him a LOC for these four International Uranium projects. Wanted to know if he could post one bond for all four operations which they are taking over. I told him I would have to check with management and we would have to get back with him with the answer.

10/19/2001 - I telephoned Mr. Thomas regarding his request for posting one LOC for all four IUC sites. Told him that management stated he can do that as long as each project is listed on the LOC, with Mine ID # and the surety amount for each. Told him we are awaiting response from AAG's office if he can use a Credit Union to post the LOC.

Copy of this message will be sent to:

Rim - Columbus - M/037/006
Pandora - M/037/012
LaSal - Snowball - M/037/026
Hecla Shaft - M/037/043

From: Wayne Hedberg
To: John Maycock
Date: 10/22/01 12:58PM
Subject: Re: Intl Uranium: surety

Thank you John for your prompt reply to my email request. I'll have this information passed on to the company accordingly.

Wayne

>>> John Maycock 10/22/01 12:28PM >>>

Wayne:

This will confirm our brief phone conversation after my recent email to you. Subsection 4 of R647-4-113 clearly indicates that the Division must approve the form and amount of the surety, and the last sentence of Subsection 4 clearly indicates that the enumerated forms of surety (4.11 through 4.16) are illustrative, not exclusive. In addition, the terms of Utah Code Annotated Sec. 40-8-14(2)(d) are mandatory: "In determining the form of surety..., the division **shall approve a method acceptable to the operator consistent with the requirements of this chapter** (i.e., Title 40, Chapter 8). The "requirements" of the statute are arguably broader and more inclusive than the Rule, because nothing in the statute limits either "collateral" or "deposited securities" to banks, as opposed to credit unions.

In exercising its discretion as to the form of surety under both the statute and the Rule, the Division needs to be careful that the surety is adequate, but is not bound to technical distinction between banks and credit unions. This email does not address, however, any limitations by statute or regulation on the powers of credit unions to issue the particular letter of credit or certificate of deposit proposed by the operator in the present situation.

Best Regards, John Maycock

CC: Joelle Burns; Mary Ann Wright